

**STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY**

In the Matter of Remedial Action by:

AGREED ORDER

**Boise White Paper LLC,
a Delaware limited liability company,
“Boise”**

No. DE _____

TO:

**Richard Garber
Paper Environmental Manager
Boise Cascade, LLC**

**Miles Hewitt
Senior Vice President and General Manager, Paper
Boise Cascade, LLC**

**Boise White Paper, LLC
P.O. Box 50
1111 W. Jefferson St.
Boise, ID 83728**

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Exhibit A: Site Diagram

I. INTRODUCTION

The mutual objective of the State of Washington, Department of Ecology (Ecology) and Boise under this Agreed Order (Order) is to provide for remedial investigation and remedial action review and oversight at a facility where there has been a release or threatened release of hazardous substances. This Order requires Boise to complete Phase I and Phase II Remedial Investigations and to complete interim Remedial Cleanup Actions including the excavation and disposal of petroleum contaminated soils and heating oil tanks associated with the closure and potential sale of the subject property. Ecology believes the actions required by this Order are in the public interest.

II. JURISDICTION

This Agreed Order is issued pursuant to the authority of the Model Toxics Control Act (MTCA), RCW 70.105D.050(1).

III. PARTIES BOUND

This Agreed Order shall apply to and be binding upon the Parties to this Order, their successors and assigns. The undersigned representative of each Party hereby certifies that he or she is fully authorized to enter into this Order and to execute and legally bind such Party to comply with the Order. Boise agrees to undertake all actions required by the terms and conditions of this Order. No change in corporate ownership or corporate status shall alter Boise's responsibility under this Order. Boise shall provide a copy of this Order to all agents, contractors, and subcontractors retained to perform work required by this Order, and shall ensure

that all work undertaken by such agents, contractors, and subcontractors complies with this Order.

IV. DEFINITIONS

Unless otherwise specified herein, the definitions set forth in Chapter 70.105D RCW and Chapter 173-340 WAC shall control the meanings of the terms used in this Order.

1. Site: The Site is referred to as Boise White Paper LLC, Vancouver and is generally located at 907 West 7th St., Vancouver, Washington. The Site is defined by the extent of contamination caused by the release of petroleum hydrocarbons in the area of the former boiler house and heating oil storage tanks, and the entirety of the site, comprised of 28 acres on which Phase I, Phase II environmental site assessments/site investigations and detailed site investigation work was completed. The Site is more particularly described in Exhibit A to this Order, which includes a detailed Site diagram. The Site does not include contamination found on Boise property in and around the Training Center AOI 15 continuing westward to the northeastern side of the Bone Yard AOI 11 which is outside of the Site boundary in Exhibit A. The Site constitutes a Facility under RCW 70.105D.020(4).
2. Parties: Refers to the State of Washington, Department of Ecology and Boise White Paper, LLC..
3. PLP: Refers to Boise White Paper, LLC “Boise” .
4. Agreed Order or Order: Refers to this Order and each of the exhibits to the Order. All exhibits are integral and enforceable parts of this Order. The terms “Agreed Order” or “Order” shall include all exhibits to the Order.
5. CH2M Hill, Inc.: Refers to CH2M Hill, Inc, a professional engineering, consulting, and construction services corporation selected by Boise to complete the Phase II investigation and remedial work at the Site.
6. URS Corporation: Refers to URS Corporation, a professional engineering and consulting corporation selected by Boise to complete the Phase I investigation at the Site.
7. MTCA: Refers to the Washington Model Toxics Control Act, RCW 70.105(D).

8. Method A and Method B: Refers to the cleanup levels set forth in MTCA and determined by Washington regulation, WAC 173-340.

Other definitions as needed.

V. FINDINGS OF FACT

Ecology makes the following findings of fact, without any express or implied admissions of such facts by Boise:

The site has been occupied and developed since at least 1911. By 1928, the Columbia River Paper Company was present at the site. Boise Cascade Corporation assumed ownership of the facility in the 1960's. Pulp mill operations at the site were discontinued in 1970. Paper mill operations were discontinued in 1996. From 1996 to 2006, the operations have included paper converting (cutting and coating of paper for specific end user use), limited printing services, packaging and storage of roll paper for distribution. No other operations are currently performed at the site. In October 2004, Boise Cascade Corporation sold the Vancouver facility to Boise White Paper, LLC. The following findings describe the completion of the 2004 Phase I Environmental Site Assessment, 2005 Phase II Site Investigation, supplemental site investigation and Independent Cleanup Remedial Action completed at the Boise Cascade LLC site located at 907 W. 7th St. in Vancouver, Washington:

1. A Phase I Environmental Assessment was completed on July 9, 2004 by URS Corporation. The Phase I ESA reviewed past and present land use practices and site operations to assess the potential presence of hazardous substances or petroleum products, and soil or groundwater contamination as a result of onsite or offsite activities. The Phase I ESA identified five recognized environmental concerns (RECs), two historic RECs, and 12 *de minimis* environmental conditions that did not qualify as ASTM RECs.

2. A Phase II investigation was initiated in March 2005 and completed in May 2005 by CH2M Hill to more fully characterize the existing environmental condition of the Boise Vancouver site. The scope of the Phase II investigation was developed based on a review of all historical site activities and the Phase I ESA report findings. The scope of the Phase II was developed to be comprehensive and investigate areas previously identified in the Phase I ESA and to collect sufficient information to evaluate remedial actions. A total of 15 Areas of investigation (AOI) were originally investigated during the Phase II Site Investigation, as shown in Exhibit A. Soil and groundwater samples were taken in all areas to determine if any contamination was present. Supplemental site investigation work, including soil and groundwater geoprobe samples, was further conducted to determine the extent of TPH contamination on the subject property and to conduct the remedial action cleanup.
3. Three areas of investigation (AOIs) were identified during the Phase II investigation that had soil sample concentrations that exceeded preliminary screening values. These areas included the Chemical Warehouse (AOI 1), Parts Wash and Former Fuel Tanks (AOI 4) and the Paper Storage Area (AOI 5). Supplemental investigations were conducted in each of these areas.
4. Supplemental investigations confirmed elevated TPH concentrations at AOI 4 and elevated lead concentrations at AOI 1, above MTCA Method A for unrestricted use. Additional sampling was also taken at AOI 5. Analytical results of all samples collected at AOI 5 were less than the MTCA Method A and B cleanup levels for TPH (the constituent of concern). Based on these results, no additional investigation or remedial action was necessary at AOI 5.

Excavation and offsite disposal of affected soils was selected as the remedial action for AOI 1 and AOI 4.

6. Independent remedial actions were implemented at the site between September 6 and November 22, 2005, under the oversight and direction of Boise Cascade LLC and CH2M Hill.

7. Unanticipated remediation activities beyond the scope of soil removal were encountered during the remedial action, and were communicated to the Washington Department of Ecology Industrial Section and documented throughout the project. These activities included the discovery of 20,000 gallon and 5,000 gallon heating oil storage tanks at the facility that predated Boise Cascade Corporation ownership of the property in 1962. These tanks were excavated and removed along with affected soils.

8. Laboratory results of samples collected in accordance with the Sampling and Analysis Plan for the remedial action indicate that the remaining average site total petroleum hydrocarbon concentrations are significantly less than the MCTA Method A and B cleanup level of 2,000 ppm. The objectives of the remedial action were met with the soil removal and confirmation sampling. Complete documentation and discussion of the site remedial action are provided in the report entitled, "Site Investigation and Remedial Action Report", dated January 2006.

9. All samples were sent to North Creek Analytical's Beaverton, OR laboratory for analysis which is accredited under WAC 173-50.

10. Separate phase petroleum hydrocarbons were identified at the water table in AOI 15 (Background/Upgradient Source Area) at Geoprobe location SB-127, which is located near the northwest property boundary adjacent to Albina Fuels. This sample location is outside the Boise Site boundary. Approximately 0.2 feet of separate phase petroleum hydrocarbon was observed on the water table in a temporary well installed at this location. No known sources are present on-site in this area and observations of the soil column did not indicate the visual presence of hydrocarbons above the water table, suggesting that the petroleum hydrocarbons observed on the water table likely have migrated to this location from an adjacent property.

VI. ECOLOGY DETERMINATIONS

1. Boise is an "owner or operator" as defined in RCW 70.105D.020(12), of a "facility" as defined in RCW 70.105D.020(4). Ecology determined that a release of hazardous substances, occurred on the subject property as a result of historic operations at the site owned by Boise Cascade, LLC, Boise Cascade Corporation or its predecessors Columbia River Paper Company, or prior owners of the site.

2. Based upon all factors known to Ecology, a "release" or "threatened release" of "hazardous substance(s)" as defined in RCW 70.105D.020(20) and RCW 70.105D.020(7), respectively, has occurred at the Site.

3. Based upon credible evidence, Ecology issued a potentially liable person status letter to Boise White Paper LLC dated March 9, 2006, pursuant to RCW 70.105D.040, -.020(16) and WAC 173-340-500. After providing for notice and opportunity for comment, reviewing any comments submitted, and concluding that credible evidence supported a finding of potential liability, Ecology issued a determination that Boise White Paper LLC is a potentially liable person (PLP) under RCW 70.105D.040. Boise White Paper LLC commented on contamination found outside of the Site boundary.

4. Pursuant to RCW 70.105D.030(1) and -.050(1), Ecology may require PLPs to investigate or conduct other remedial actions with respect to any release or threatened release of hazardous substances, whenever it believes such action to be in the public interest. Based on the foregoing facts, Ecology believes the remedial action(s) completed and required under this Order are in the public interest.

VII. WORK PERFORMED AND TO BE PERFORMED

Based on the Findings of Fact and Ecology Determinations, the following remedial action(s) at the Site were completed in accordance with Chapter 173-340 WAC unless otherwise specifically stated herein:

- The Phase II investigation and supplemental sampling revealed contaminated soils at AOI 1 and AOI 4. Additional sampling defined the preliminary extent of the remedial action .

- Excavation and offsite disposal was selected as the remedial action for AOI 1 and AOI 4.
- Remedial actions were implemented at the site AOI 4 between September 6 and November 22, 2005. In total, 5650 tons of petroleum affected soil were removed from AOI 4, along with heating oil tanks of 5,000 gallons and 20,000 gallons in size, and more than 23,000 gallons of petroleum affected water and sludge from the heating oil tanks. Soil removal was conducted at AOI 1.
- Confirmation samples were collected into 4 in accordance with the sampling and analysis plan prepared prior to the conducting the project. Confirmation samples indicate that the remaining average site hydrocarbon concentrations are significantly less than the MCTA Method A and B cleanup level of 2,000 ppm.

Based on the Findings of Fact and Ecology Determinations, it is hereby ordered that Boise take the following remedial action(s) at the Site and that these actions be conducted in accordance with Chapter 173-340 WAC unless otherwise specifically provided for herein:

1. One monitoring well shall be constructed at or near the boundary of Site. The monitoring well shall be constructed and used to determine the extent of TPH contamination originating from an off site source north of the Bone Yard Fill Area AOI 11. A groundwater monitoring plan shall be submitted to Ecology for approval prior to construction of the new well. The plan shall describe well location, monitoring schedule and monitoring parameters. Groundwater monitoring shall be conducted using a well located South of well SB 127. Groundwater monitoring shall be quarterly for one year and semi annually for years 2 through 5. At year five Ecology and Boise shall determine if further monitoring is necessary. Boise and Ecology may shorten the monitoring period or alter the monitoring plan provided that Boise has demonstrated to the satisfaction of Ecology that monitoring objectives have been met, or if the release has been adequately addressed by the responsible party(s). The groundwater monitoring plan shall be submitted 180 days after the signature of this Order.

The groundwater plume found the northern edge of the property in the vicinity of SB 127 shall be further characterized. Exploratory soil borings shall be drilled to delineate the extent of plume. The borings shall be drilled between clean soil boring SB 134 near the training center and clean soil boring SB 112 in AOI 11 Bone Yard. The object of the borings shall be to determine the spatial extent of the plume.

VIII. TERMS AND CONDITIONS OF ORDER

A. Public Notices

RCW 70.105D.030(2)(a) requires that, at a minimum, this Order be subject to concurrent public notice. Ecology shall be responsible for providing such public notice and reserves the right to modify or withdraw any provisions of this Order should public comment disclose facts or considerations which indicate to Ecology that the Order is inadequate or improper in any respect.

B. Remedial Action Costs

Boise shall pay to Ecology costs incurred by Ecology pursuant to this Order and consistent with WAC 173-340-550(2). These costs shall include work performed by Ecology or its contractors for, or on, the Site under Chapter 70.105D RCW, including remedial actions and Order preparation, negotiation, oversight, and administration. These costs shall include work performed both prior to and subsequent to the issuance of the Order. Boise shall pay the required amount within ninety (90) days of receiving from Ecology an itemized statement of costs that includes a summary of costs incurred, an identification of involved staff, and the amount of time spent by involved staff members on the project. A general description statement of work performed will be provided upon request. Itemized statements shall be prepared quarterly. Pursuant to WAC 173-340-550(4), failure to pay Ecology's costs within ninety (90) days of receipt of the itemized statement of costs will result in interest charges at the rate of twelve percent (12%) per annum, compounded monthly.

C. Implementation of Remedial Action

Except where necessary to abate an emergency situation, Boise shall not perform any remedial actions at the Site outside those remedial actions required by this Order, unless Ecology concurs, in writing, with such additional remedial actions.

D. Designated Project Coordinators

The project coordinator for Ecology is:

Robert Carruthers,
Paul Skyllingstad
Department of Ecology Industrial Section
300 Desmond Dr
Lacey WA 98503

The project coordinator for Boise is:

Richard Garber
Boise Cascade, LLC
1111 W Jefferson St
Boise ID 83728

The project coordinator(s) shall be responsible for overseeing the implementation of this Order. The Ecology project coordinator will be Ecology's designated representative for the Site. To the maximum extent possible, communications between Ecology and Boise, and all documents, including reports, approvals, and other correspondence concerning the activities performed pursuant to the terms and conditions of this Order shall be directed through the project coordinator(s).

Ecology and Boise may change their respective project coordinator, but must provide ten (10) days advance written notification of the change to the other party.

E. Performance

All work performed pursuant to this Order shall be under the direction and supervision, as necessary, of a licensed professional engineer or licensed hydrogeologist, or equivalent as approved by Ecology, with experience and expertise in hazardous waste site investigation and cleanup. Boise notified Ecology of its selection of CH2M Hill, Inc., Portland, Oregon office for project management and supervision. CH2M Hill project managers maintain the requisite certifications and training as required by Ecology. Boise notified Ecology in writing of the identity of such engineer(s), or hydrogeologist(s), or others, and of any contractors and

subcontractors to be used in carrying out the terms of this Order, in advance of their involvement at the Site.

Any construction work performed pursuant to the Order shall be under the supervision of a professional engineer or a qualified technician under the direct supervision of a professional engineer. The professional engineer must be registered in the State of Washington, except as provided in RCW 18.43.130.

F. Access

Ecology or any Ecology authorized representative shall have the full authority to enter and freely move about all property at the Site that Boise either owns, controls, or has access rights to at all reasonable times for the purposes of, *inter alia*: inspecting records, operation logs, and contracts related to the work being performed pursuant to this Order; reviewing Boise's progress in carrying out the terms of this Order; conducting such tests or collecting such samples as Ecology may deem necessary; using a camera, sound recording, or other documentary type equipment to record work done pursuant to this Order; and verifying the data submitted to Ecology by Boise. Boise shall make all reasonable efforts to secure access rights for those properties within the Site not owned or controlled by Boise where remedial activities or investigations will be performed pursuant to this Order. Ecology or any Ecology authorized representative shall give reasonable notice before entering any Site property owned or controlled by Boise unless an emergency prevents such notice. All persons who access the Site pursuant to this paragraph shall comply with the approved health and safety plan, if any. Ecology employees and their representative shall not be required to sign any release or waiver as a condition of site property access.

G. Sampling, Data Submittal, and Availability

With respect to the implementation of this Order, Boise shall make the results of all sampling, laboratory reports, and/or test results generated by it or on its behalf available to Ecology. Pursuant to WAC 173-340-840(5), all sampling data shall be submitted to Ecology in both printed and electronic formats in accordance with Section VII (Work to be Performed),

Ecology's Toxics Cleanup Program Policy 840 (Data Submittal Requirements), and/or any subsequent procedures specified by Ecology for data submittal.

If requested by Ecology, Boise shall allow split or duplicate samples to be taken by Ecology and/or its authorized representative of any samples collected by Boise pursuant to implementation of this Order. Boise shall notify Ecology seven (7) days in advance of any additional sample collection or work activity at the Site. Ecology shall, upon request, allow split or duplicate samples of any samples collected by Ecology pursuant to the implementation of this Order to be taken by Boise or its authorized representative provided it does not interfere with Ecology's sampling. Without limitation on Ecology's rights under Section VIII.F of this Order, Ecology shall notify Boise prior to any sample collection activity unless an emergency prevents such notice.

In accordance with WAC 173-340-830(2)(a), all hazardous substance analyses shall be conducted by a laboratory accredited under Chapter 173-50 WAC for the specific analyses to be conducted, unless otherwise approved by Ecology.

H. Public Participation

Public participation for the site will include public notice, review and comment of this order and the final remedial action report.

Ecology shall maintain the responsibility for public participation at the Site. However, Boise shall cooperate with Ecology, and shall:

1. If agreed to by Ecology, develop appropriate mailing list, prepare drafts of public notices and fact sheets at important stages of the remedial action, such as the submission of work plans, remedial investigation/feasibility study reports, cleanup action plans, and engineering design reports. As appropriate and necessary, Ecology will edit, finalize, and distribute such fact sheets and prepare and distribute public notices of Ecology's presentations and meetings;

2. Notify Ecology's project coordinator prior to any of the following: the issuance of all press releases; distribution of fact sheets; performance of other outreach activities; meetings with the interested public and/or local governments. Likewise, Ecology shall notify Boise prior to the issuance of all press releases and fact sheets, and before meetings with the interested

public and local governments. For all press releases, fact sheets, meetings, and other outreach efforts by Boise that do not receive prior Ecology approval, Boise shall clearly indicate to its audience that the press release, fact sheet, meeting, or other outreach effort was not sponsored or endorsed by Ecology;

3. When requested by Ecology, participate in public presentations on the progress of the remedial action at the Site. Participation may be through attendance at public meetings to assist in answering questions, or as a presenter;

4. When requested by Ecology, arrange and/or continue information repositories to be located at the following locations:

(a) Washington Department of Ecology Industrial Section
300 Desmond Dr
Lacey WA

(a) Ecology's Vancouver Regional Office
2108 Grand Boulevard
Vancouver WA

(a) Fort Vancouver Main Library
1007 East Mill Plain
Vancouver WA

At a minimum, copies of all public notices, fact sheets, and press releases; all quality assured monitoring data; remedial action plans and reports, supplemental remedial planning documents, and all other similar documents relating to performance of the remedial action required by this Order shall be promptly placed in these repositories.

I. Retention of Records

During the pendency of this Order and for ten (10) years from the date of completion of work performed pursuant to this Order, Boise shall preserve all records, reports, documents, and underlying data in its possession relevant to the implementation of this Order and shall insert a similar record retention requirement into all contracts with project contractors and subcontractors. Upon request of Ecology, Boise shall make all records available to Ecology and allow access for review within a reasonable time.

J. Resolution of Disputes

1. In the event a dispute arises as to an approval, disapproval, proposed change, or other decision or action by Ecology's project coordinator, or an itemized billing statement under Section VIII.B (Remedial Action Costs), the Parties shall utilize the dispute resolution procedure set forth below.

(a) Upon receipt of the Ecology project coordinator's decision or the itemized billing statement, Boise has fourteen (14) days within which to notify Ecology's project coordinator of its objection to the decision or itemized statement.

(b) The Parties' project coordinators shall then confer in an effort to resolve the dispute. If the project coordinators cannot resolve the dispute within fourteen (14) days, Ecology's project coordinator shall issue a written decision.

(c) Boise may then request Ecology management review of the decision. This request shall be submitted in writing to the Industrial Section Manager within seven (7) days of receipt of Ecology's project coordinator's decision.

(d) The Industrial Section Manager shall conduct a review of the dispute and shall endeavor to issue a written decision regarding the dispute within sixty (60) days of Boise's request for review. The Section Manager's decision shall be Ecology's final decision on the disputed matter.

2. The Parties agree to only utilize the dispute resolution process in good faith and agree to expedite, to the extent possible, the dispute resolution process whenever it is used.

3. Implementation of these dispute resolution procedures shall not provide a basis for delay of any activities required in this Order, unless Ecology agrees in writing to a schedule extension.

K. Extension of Schedule

1. An extension of schedule shall be granted only when a request for an extension is submitted in a timely fashion, generally at least thirty (30) days prior to expiration of the deadline for which the extension is requested, and good cause exists for granting the extension.

All extensions shall be requested in writing. The request shall specify the reason(s) the extension is needed. The request shall specify:

- (a) The deadline that is sought to be extended;
- (b) The length of the extension sought;
- (c) The reason(s) for the extension; and
- (d) Any related deadline or schedule that would be affected if the extension were granted.

2. The burden shall be on Boise to demonstrate to the satisfaction of Ecology that the request for such extension has been submitted in a timely fashion and that good cause exists for granting the extension. Good cause includes, but is not limited to:

- (a) Circumstances beyond the reasonable control and despite the due diligence of Boise including delays caused by unrelated third parties or Ecology, such as (but not limited to) delays by Ecology in reviewing, approving, or modifying documents submitted by Boise; or
- (b) Acts of God, including fire, flood, blizzard, extreme temperatures, storm, or other unavoidable casualty; or
- (c) Endangerment as described in Section VIII.M. of this Order.

However, neither increased costs of performance of the terms of this Order nor changed economic circumstances shall be considered circumstances beyond the reasonable control of Boise.

3. Ecology shall act upon any written request for extension in a timely fashion. Ecology shall give Boise written notification in a timely fashion of any extensions granted pursuant to the Order. A requested extension shall not be effective until approved by Ecology. Unless the extension is a substantial change, it shall not be necessary to amend this Order pursuant to Section VIII.L when a schedule extension is granted.

4. An extension shall only be granted for such period of time as Ecology determines is reasonable under the circumstances. Ecology may grant schedule extensions exceeding ninety (90) days only as a result of:

- (a) Delays in the issuance of a necessary permit which was applied for in a timely manner;
- (b) Other circumstances deemed exceptional or extraordinary by Ecology; or
- (c) Endangerment as described in Section VIII.M of this Order.

L. Amendment of Order

The project coordinators may verbally agree to minor changes to the work to be performed without formally amending this Order. Minor changes will be documented in writing by Ecology within seven (7) days of verbal agreement.

Except as provided in Section VIII.N of this Order, substantial changes to the work to be performed shall require formal amendment of this Order. This Order may only be formally amended by the written consent of both Ecology and Boise. Boise shall submit a written request for amendment to Ecology for approval. Ecology shall indicate its approval or disapproval in writing and in a timely manner after the written request for amendment is received. If the amendment to the Order represents a substantial change, Ecology will provide additional public notice and opportunity to comment. If Ecology does not agree to a proposed amendment, the disagreement may be addressed through the dispute resolution procedures described in Section VIII.J. of this Order.

M. Endangerment

In the event Ecology determines that any activity being performed at the Site is creating or has the potential to create a danger to human health or the environment on or surrounding the Site, Ecology may direct Boise to cease such activities for such period of time as it deems necessary to abate the danger. Boise shall immediately comply with such direction.

If, for any reason, Boise determines that any activity being performed at the Site is creating or has the potential to create a danger to human health or the environment, Boise may cease such activities. Boise shall notify Ecology's project coordinator as soon as possible, but no later than twenty-four (24) hours after making such determination or ceasing such activities. Upon Ecology's direction Boise shall provide Ecology with documentation of the basis for the

determination or cessation of such activities. If Ecology disagrees with Boise's cessation of activities, it may direct Boise to resume such activities.

If Ecology concurs with or orders a work stoppage pursuant to this section, Boise's obligations with respect to the ceased activities shall be suspended until Ecology determines the danger is abated, and the time for performance of such activities, as well as the time for any other work dependent upon such activities, shall be extended for such period of time as Ecology determines is reasonable under the circumstances.

Nothing in this Order shall limit the authority of Ecology, its employees, agents, or contractors to take or require appropriate action in the event of an emergency.

N. Reservation of Rights

This Order is not a settlement under Chapter 70.105D RCW. Ecology's signature on this Order in no way constitutes a covenant not to sue or a compromise of any Ecology rights or authority. Ecology will not, however, bring an action against Boise to recover remedial action costs paid to and received by Ecology under this Order. In addition, Ecology will not take additional enforcement actions against Boise regarding remedial actions required by this Order, provided Boise complies with this Order.

Ecology nevertheless reserves its rights under Chapter 70.105D RCW, including the right to require additional or different remedial actions at the Site should it deem such actions necessary to protect human health and the environment, and to issue orders requiring such remedial actions. Ecology also reserves all rights regarding the injury to, destruction of, or loss of natural resources resulting from the release or threatened release of hazardous substances at the Site.

O. Transfer of Interest in Property

No voluntary conveyance or relinquishment of title, easement, leasehold, or other interest in any portion of the Site shall be consummated by Boise without provision for continued implementation of all requirements of this Order and implementation of any remedial actions found to be necessary as a result of this Order.

Prior to Boise's transfer of any interest in all or any portion of the Site, and during the effective period of this Order, Boise shall provide a copy of this Order upon any prospective purchaser, lessee, transferee, assignee, or other successor in said interest; and, at least thirty (30) days prior to any transfer, Boise shall notify Ecology of said transfer.

P. Compliance with Applicable Laws

1. All actions carried out by Boise pursuant to this Order shall be done in accordance with all applicable federal, state, and local requirements, including requirements to obtain necessary permits, except as provided in RCW 70.105D.090. There are currently no known permits related to this action at the time of this Order.

2. Pursuant to RCW 70.105D.090(1), Defendant is exempt from the procedural requirements of Chapters 70.94, 70.95, 70.105, 77.55, 90.48, and 90.58 RCW and of any laws requiring or authorizing local government permits or approvals. However, Defendant shall comply with the substantive requirements of such permits or approvals. There are currently no known permits related to this action at the time of this Order..

Boise has a continuing obligation to determine whether additional permits or approvals addressed in RCW 70.105D.090(1) would otherwise be required for the remedial action under this Order. In the event either Ecology or Boise determines that additional permits or approvals addressed in RCW 70.105D.090(1) would otherwise be required for the remedial action under this Order, it shall promptly notify the other party of its determination. Ecology shall determine whether Ecology or Boise shall be responsible to contact the appropriate state and/or local agencies. If Ecology so requires, Boise shall promptly consult with the appropriate state and/or local agencies and provide Ecology with written documentation from those agencies of the substantive requirements those agencies believe are applicable to the remedial action. Ecology shall make the final determination on the additional substantive requirements that must be met by Boise and on how Boise must meet those requirements. Ecology shall inform Boise in writing of these requirements. Once established by Ecology, the additional requirements shall be enforceable requirements of this Order. Boise shall not begin or continue the remedial action potentially subject to the additional requirements until Ecology makes its final determination.

Ecology shall ensure that notice and opportunity for comment is provided to the public and appropriate agencies prior to establishing the substantive requirements under this section.

3. Pursuant to RCW 70.105D.090(2) in the event Ecology determines that the exemption from complying with the procedural requirements of the laws referenced in RCW 70.105D.090(1) would result in the loss of approval from a federal agency which is necessary for the state to administer any federal law, the exemption shall not apply and Boise shall comply with both the procedural and substantive requirements of the laws referenced in RCW 70.105D.090(1), including any requirements to obtain permits.

Q. Periodic Review

As a remedial action, including ground water monitoring, continues at the Site, the Parties agree to review the progress of remedial action at the Site, and to review the data accumulated as a result of monitoring the Site as often as is necessary and appropriate under the circumstances. The current groundwater monitoring ends at the first five year review if not continued by Ecology. Ecology may shorten the monitoring period, provided that Boise has demonstrated to the satisfaction of Ecology that monitoring objectives have been met, or if the release has been adequately addressed by the responsible party(s). Ecology and Boise shall meet to determine the need for continued ground water monitoring at the end of the five year period. At least 90 days prior to the five year review, Boise shall submit a report to Ecology that documents whether human health and the environment are being protected based on the factors set forth in WAC 173-340-420(4). Ecology reserved the right to require further remedial action at the Site under appropriate circumstances. This provision shall remain in effect for the duration of this Order.

R. Indemnification

Boise agrees to indemnify and save and hold the State of Washington, its employees, and agents harmless from any and all claims or causes of action for death or injuries to persons or for loss or damage to property arising from or on account of acts or omissions of Boise, its officers, employees, agents, or contractors in entering into and implementing this Order. However, the Boise shall not indemnify the State of Washington nor save nor hold its employees and agents harmless from any claims or causes of action arising out of the negligent acts or omissions of the

State of Washington, or the employees or agents of the State, in implementing the activities pursuant to this Order.

IX. SATISFACTION OF ORDER

The provisions of this Order shall be deemed satisfied upon Boise's receipt of written notification from Ecology that Boise has completed the remedial activity required by this Order, as amended by any modifications, and that the Boise has complied with all other provisions of this Agreed Order.

X. ENFORCEMENT

Pursuant to RCW 70.105D.050, this Order may be enforced as follows:

1. The Attorney General may bring an action to enforce this Order in a state or federal court.
2. The Attorney General may seek, by filing an action, if necessary, to recover amounts spent by Ecology for remedial actions and orders related to the Site.
3. In the event Boise refuses, without sufficient cause, to comply with any term of this Order, Boise will be liable for:
 - (a) Up to three (3) times the amount of any costs incurred by the State of Washington as a result of its refusal to comply; and
 - (b) Civil penalties of up to \$25,000 per day for each day it refuses to comply.
4. This Order is not appealable to the Washington Pollution Control Hearings Board.

This Order may be reviewed only as provided under RCW 70.105D.060.

Effective date of this Order: April **, 2006

BOISE WHITE PAPER LLC

**STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY**

Miles Hewitt
Senior Vice President and GM
1111 W. Jefferson St.
Boise, ID 83728

Carol Kraege
Industrial Section Manager
Solid Waste and
Financial Assistance Program